

MEMORANDUM FOR: Chief, Physical Security Division

STATINTL FROM:

Chief, Industrial Security Branch

SUBJECT: ISB Position Paper

1. Although we intend to suggest a definition for Industrial Security Branch's future role, this paper may, of necessity, be somewhat limited by what ISB can accomplish with its available resources. Please note that observations herein are based on realities. Most concern situations which could not have been changed, nor are they likely to be changed. None however, are meant in a gratuitous or derogatory sense. 7

2. It has been a while since ISB played a critical or even important part in OS. The people assigned there have done quite well, both as individuals and as a team, considering their circumstances. The branch has served as a labor and budget pool for other unrelated activities. Some assignees there lacked the necessary experience, and perhaps ability, to maintain quality production. Reports were sometimes 6 months in reaching the contracting elements. Implementation of recommendations slipped in importance and persistence. The branch is at a low level of visibility, reputation and emphasis in OS as well as elsewhere, especially industry. Some charter functions have been abandoned or abrogated. The branch has been in the doldrums to say the least. *TRUE ENOUGH* *WHICH GIVES ?*

3. There appears to be three basic options open at this time:

a. disband the branch, discontinue its functions, and transfer its assets to other components;

b. continue with a reduced staff and a low profile subject to other priorities; i.e., stay at the current level;

c. continue with a strengthened staff, a re-defined charter and mission, and a heightened level of activity. *C is my preference* *but the ops* *hold the response*

4. Option b, in our opinion, would be the least desirable. The Office's commitment to direct involvement in industrial security would be brought to question, our image and clout in the industrial sector greatly diminished and our role reduced to that of a paper tiger. Option a, with assets assigned to the contracting elements appears to be more practical than simply trying to maintain a tenuous foothold, as represented by option b.

5. It is our understanding that OS management wants ISB to proceed along the lines of option c. Given this, ISB's role could be broadly stated as, (1), the Director of Security's instrument of direct involvement and oversight in the Agency's Industrial Security Program, and (2) assurance to the Director of Security that his industrial security policy is appropriately declared, then properly implemented and maintained by both contractor and Agency personnel. To fulfill these responsibilities, the branch's charter would include audits and reaudits of contractor facilities, industrial security officer training, periodic contractor seminars, close liaison with the contracting elements and their security staffs, and direct participation in industrial security policy matters. Except for the last one, all these items constitute a broad definition of ISB's current functions. The need for improvement lies in a strengthened scope and intensity of these same functions. Finally, the branch should operate in a spirit of cooperation and assistance rather than a fault finding or punitive stance. It should have the flexibility to interpret and negotiate when feasible rather than going strictly by the book; but there should still be the capability and authority to insist on good security at all levels. This is a big order, but not an unattainable goal if we have the necessary material and support.

6. There are a number of procedural items within the branch which need to be modified, started, or abandoned; all of which will be submitted at a later date. Some which should be considered now are:

a. Bigoted programs - some have been around for several years, are quite involved, and amount to enormous sums of money and manpower. One program is asking for about 600 SCI approvals this year; another multi-million dollar effort is about ready to come on line; others have lost some of their "bigoted" flavor and are the subject of small talk

at the factory. One program ran into a consistent pattern of derogatory background and polygraph results. There is no argument that access to most of these programs should be strictly controlled. However, it might be wise to consider having something in writing from a high level to relieve the Director of Security from his security oversight responsibilities of the particular program. The present procedure is quite casual, usually consisting of an off-hand remark that "so and so's programs can't be audited." The Office of Security is leaving itself open to some bad press if the program flaps and there has been neither security oversight nor a written waiver.

7 WHICH ONE

b. To regain some of its former standing, ISB needs some increased emphasis and support from higher level OS management. This would include "selling" the program at the project management level, OS Division level, and to the area security officers in the contracting elements. There should be closer involvement in the audit process, in debriefings, and in monitoring implementation of recommendations. Also, of course, there should be emphasis on assignment of capable officers to the branch. You might consider such "image" items as sign-off on audit reports and follow-up correspondence by the DD/PTAS. On our level, we have to get closer to the area security officers to get to know their problems, without being considered as "the hit squad".

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AN APPROPRIATE
MECHANISM...
(INVITE REPT
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c. Much of our effort during FY-84 will involve reaudits of the big contractors, i.e., [redacted]. We believe this will be better accomplished if we audit by program rather than facility. All of [redacted] as one audit would take weeks to do and would result in a report measured by the pound rather than pages. We will submit details, but we request your concurrence at this time in principle, for the concept.

Good idea!

d. The basic charter needs to be properly re-written and approved. The original charter is now outdated, unrealistic, and ignored. This was one item the IG picked up during their 1981 inspection here.

Let's do it!
NOW THAT THE
TEAM IS IMPROVING
WE SHOULD GET
THINGS ROLLING

7. There are many questions not addressed here and many details yet to be considered. However, we feel that your approval in principle of ISB's proposed role and operational philosophy, as outlined above, is necessary before we proceed any further.

*THIS MAKE
SENSE /*

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

STATINTL

FROM		EXTENSION		NO.
TO: (Officer designation, room number, and building)		DATE		COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
		RECEIVED	FORWARDED	
1	C/Industrial Security Branch			
2	C/PSD			1 TO 293.
3	COPST/PTAS			John is on target.
4	DD/PTAS			He has provided
5	C/ops/PTAS			the basis for some
6				serious discussion
7				at your level.
8				We're ready
9				when you take
10				Time - C/PSD.
11				Readme, act -
12				WtA AC/Physlet
13				AG/ISB
14				10-20-83
15				

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